

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2009-190-E - ORDER NO. 2009-374

JUNE 26, 2009

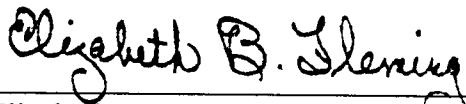
IN RE: Application of Progress Energy Carolinas, Inc. for Approval of Experimental Tariffs Covering its Initial Slate of Demand-Side Management and Energy Efficiency ("DSM and EE") Programs	)	ORDER APPROVING
	)	EXPERIMENTAL
	)	DSM/EE TARIFFS
	)	
	)	

This matter comes before the Public Service Commission of South Carolina ("Commission") on the Application of Progress Energy Carolinas, Inc. ("PEC") for Approval of Experimental Tariffs Covering its Initial Slate of Demand-Side Management and Energy Efficiency Programs. These programs, which are attached to this Order and were submitted for review as required by Order No. 2009-373 in Docket No. 2008-251-E, include Tariffs CIG EE-2 (Commercial, Industrial, and Government Energy Efficiency Program), DSDR-1 (Distribution System Demand Response Program), HEIP-2 (Residential Home Energy Improvement Program), RHAP-2 (Residential Service Home Advantage Program), RS-NES-2 (Residential Service Neighborhood Energy Saver Program), and SWHPP-2 (Residential Service Solar Water Heating Pilot Program), as well as Riders LC-SUM-2 (Residential Service Load Control) and DRA-2 (Demand Response Automation). The Office of Regulatory Staff has reviewed these programs and states that it has no objection to their approval.

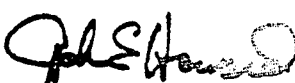
The programs before us are consistent with the DSM/EE principles of Order No. 2009-373, meet the requirements of S.C. Code Ann. Section 58-37-20 (Supp. 2008), are cost effective for consumers, and implement measures that will benefit South Carolina. Initiating demand response by reducing peak energy demand by participant customers (such as those who allow their air conditioning or other high energy use equipment to be interrupted during times of heavy load on the system) and other programs designed to encourage efficiency upgrades to residences and appliances, both in existing homes and new construction, are important steps to more wisely using electricity. Therefore, we find that these Demand-Side Management and Energy Efficiency programs are in the public interest and should be, and are approved. PEC indicates that it will complete implementation plans and make the programs available to its South Carolina customers as soon as reasonably possible.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

  
Elizabeth B. Fleming, Chairman

ATTEST:

  
John E. Howard, Vice Chairman  
(SEAL)

Carolina Power & Light Company  
d/b/a Progress Energy Carolinas, Inc.  
(South Carolina Only)

## EXPERIMENTAL

### COMMERCIAL, INDUSTRIAL AND GOVERNMENTAL ENERGY EFFICIENCY PROGRAM CIG EE-2

#### PURPOSE

The purpose of this program is to promote the installation of energy efficient measures by non-residential customers by providing incentives through (1) a set of pre-defined prescriptive measures, (2) custom measures specifically designed to meet Customer's individual need, (3) technical assistance to identify energy efficiency opportunities, and (4) custom whole-building measures and design incentives for a new facility, or major renovation.

#### AVAILABILITY

This Program is available to non-residential customers receiving metered service in conjunction with any of Company's general service schedules. Technical assistance and design incentives under the Program are only available to Customers either (1) consuming 500,000 kWh or more in the previous 12 months or (2) for new construction with 20,000 square feet or more of conditioned space. Custom whole-building measures and design incentives are only available to new construction, and major renovation applications which are defined as the design and construction of a new facility, or a major renovation of an existing facility where the interior is completely demolished down to the studs, including the removal of the space conditioning and lighting systems, and the space is completely redeveloped.

#### INCENTIVE PAYMENTS

In most cases, Customer must complete and submit a pre-notification application before installing equipment or a measure for which an incentive is requested. The Policies and Procedures manual available at the program website (<http://progress-energy.com/carolinasBusiness>) describes the specific incentives when the pre-notification application is not required. Upon approval of the pre-notification application and within ninety (90) days of completion of installation, Customer must submit an Application for Incentive Payment, supporting documentation, and verification that the energy efficient measures meriting an incentive payment meets Program requirements. Company may inspect Customer's premise before, during and after measure implementation to verify installation.

Incentive payments will be one-time payments and shall be determined as follows and may only be considered in one of the following categories:

1. Prescriptive Measures – Customer shall receive an incentive payment for the installation of certain high efficiency equipment and measures, including lighting; heating, ventilating and air conditioning equipment; refrigeration measures and equipment; and premium-efficiency motors. A list of eligible equipment and measures and specific incentive amounts are available at the program website: <http://progress-energy.com/carolinasBusiness>
2. Custom Measures – Customer shall receive an incentive payment for the implementation of energy efficiency measures and equipment not included in the Prescriptive Measures category upon the provision of studies or other analyses to quantify expected energy reductions. The incentive payment shall be \$0.08 times the estimated first year kWh reduction following implementation of the energy efficiency measure, based upon Company confirmation of the study results.

3. Technical Assistance – Customer shall receive an incentive payment of 50% of Customer's cost for a feasibility study, energy assessment, or retro-commissioning service. In no case shall the incentive payment under this category exceed \$10,000 for customers with annual consumption from 500,000 to 2,000,000 kWh or \$20,000 for customers with annual consumption in excess of 2,000,000 kWh.
4. Custom Whole-Building Measures – For new buildings, or major renovations achieving an energy reduction of 10% to 20%, Customer shall receive an incentive payment of \$0.09 times the estimated first year kWh reduction following installation. For energy reductions in excess of 20%, Customer shall receive an incentive payment of \$0.14 times the estimated first year kWh reduction following installation. Estimated energy savings shall be supported by Customer studies and analyses using PEC approved methodologies and techniques and is subject to Company's confirmation of the study results. Customer utilizing Custom Whole-Building Measure cannot receive Prescriptive or Custom measure incentives for the same project.
5. Design Incentives – For new buildings and major renovations of at least 20,000 square feet, Customer shall receive an incentive payment of (a) \$0.05 times the estimated first year kWh reduction following installation, not to exceed \$50,000 or (b) the cost of a building energy modeling service, not to exceed \$20,000. Estimated energy savings shall be supported by Customer studies and analyses using PEC approved methodologies and techniques and is subject to Company's confirmation of the study results.

In no case shall Customer's cumulative project incentive payment at one facility in a calendar year exceed 75% of Customer's total project cost and shall furthermore be limited as follows:

1. Incentives payments of \$100,000 or less shall be paid at 100% of the earned amount;
2. Incentives payments between \$100,001 and \$500,000 shall be paid at 50% of the earned amount;
3. Incentives payments between \$500,001 and \$1 million shall be paid at 25% of the earned amount; and
4. Incentives payments in excess of \$1 million will be paid at 10% of the earned amount.

#### RESPONSIBILITY OF PARTIES

Upon the occurrence of any of the following events, Company may request Customer to refund within thirty (30) days of such request incentive payments received:

1. Customer does not install and operate incentivized equipment or other measures, or
2. Customer removes incentivized equipment or other measures before the earlier of five (5) years from the date of equipment or measure installation or the end of the equipment or measure life; or
3. If upon any sale, lease or other disposition by Customer of the premise where the incentivized equipment or measure is located or installed, Customer does not secure an agreement transferring all related rights, obligations and liabilities (including payment obligations of the DSM/EE rate) and including Program participation to the buyer of the premise upon which the incentivized equipment or measure is located or installed.

In the event Company requests a refund, Company's refund will be a prorated amount of incentive payments originally provided by Company to Customer based on the period of time that the related equipment or measure was installed and operated. If the equipment or measure was never installed, the full amount of originally provided incentive payments shall be refunded to Company by Customer.

The customer is responsible for any and all income tax payments that may result from receipt of an incentive payment.

GENERAL

Service rendered under this Schedule is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission.

DSM/EE OPT-OUT ELIGIBILITY

Customer participating in this program loses the right to be exempt from the DSM/EE rate for ten (10) years following receipt of an incentive.

Effective for service rendered on and after \_\_\_\_\_  
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Carolina Power & Light Company  
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(South Carolina Only)

## EXPERIMENTAL

### DISTRIBUTION SYSTEM DEMAND RESPONSE PROGRAM DSDR-1

The Distribution System Demand Response Program (DSDR) is a system of electric equipment and operating controls to enable PEC to reduce peak load using the distribution system to effectively reduce generation requirements during peak load conditions. DSDR is a new demand side resource included in the annual Integrated Resource Plan and provides an additional resource to meet future energy needs.

DSDR consists of four initiatives to deliver a robust, integrated system of electric equipment and operating controls required to reduce demand with the dependability, consistency, and sustainability needed for a balanced energy strategy:

1. Feeder Conditioning – A five-year feeder-conditioning initiative in the Carolinas that will improve the system by flattening the voltage profile on distribution feeders consisting of:
  - Changing tap line configurations to improve load balance;
  - Installing additional phase wires to balance load;
  - Relocating and adding new line capacitors; and
  - Adding new line voltage regulators.
2. Grid System Design – The installation of sensors and intelligent controls on equipment and substations to retrieve system data and enable remote control commands.
3. IT Systems & Integration – The enhancement of information technology systems and data architecture to enable the transport and analysis of real time electrical data and remote control of equipment to meet system load requirements. This includes Distribution Supervisory Control and Data Acquisition upgrade and replacement and implementation of a Distribution Management System.
4. Telecom – The installation of a new two-way communications system.

DSDR provides the ability to reduce peak demand for the four to six hour periods typical of peak load conditions which would otherwise require peak generation capacity. Customer delivery voltage will be maintained above the minimum requirement when the program is in use by investing in a robust system of advanced technology, telecommunications, equipment, and operating controls. DSDR supports a least cost mix of demand reduction and generation measures that meet system electricity needs. DSDR leverages the latest technologies to develop a Distribution Management System that will process data from line sensors, analyze power flow, determine MW-reduction capability, and execute commands to control and operate equipment to deliver the demand reduction during peak load periods.

Effective: \_\_\_\_\_  
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## EXPERIMENTAL

### RESIDENTIAL SERVICE HOME ENERGY IMPROVEMENT PROGRAM HEIP-2

#### PURPOSE

The purpose of this program is to offer customers a variety of energy conservation measures designed to increase energy efficiency in existing residential dwellings that can no longer be considered new construction. This Program will utilize a network of customer-selected contractors from a prequalified list provided by Company to install energy efficiency measures: (1) to encourage the installation and maintenance of high efficiency air conditioning (AC) and heat pump systems, (2) to encourage the installation of high efficiency windows, (3) to encourage attic insulation and sealing and (4) to perform tune-up maintenance on heat pumps or central AC units.

#### AVAILABILITY

The program is available to customers served under a residential service schedule by Company and is applicable to all electric service of the same available type supplied to Customer's premises at one point of delivery through one kilowatt-hour meter under the provisions of this Program.

Customer shall not be eligible for incentives available under this program, if an incentive was paid as a part of the Home Advantage program for new construction. Incentives are only applicable to measures installed by a prequalified contractor approved by Company.

#### INCENTIVE PAYMENTS

Customer shall receive incentives for qualifying equipment or other measures. The incentive payable to Customer:

1. For air duct testing shall be 50% of the cost of the test, not to exceed \$60 for first unit tested or \$90 for two or more units per dwelling.
2. For air duct repair shall be 50% of the repair cost, not to exceed \$120 for one unit or \$240 for two or more units per dwelling.
3. For increased attic insulation to a minimum of R30 and attic air sealing will be paid at 37.5 cents per square foot, not to exceed \$375 per dwelling.
4. For the installation of high efficiency central AC, heat pumps, and geothermal heat pumps shall be \$300 per unit with a maximum of 2 units per dwelling subject to an incentive.
5. For energy efficient windows shall be \$30 per window, not to exceed \$450 per dwelling.
6. For HVAC tune-up level I, consisting of condenser coil cleaning, shall be \$45. Customer shall not be eligible for a level I incentive for three years following a level I or II tune-up.
7. For HVAC tune-up level II, consisting of level I plus correcting refrigerant charge and adjusting air flow, shall be \$100. Customer shall be eligible for an HVAC tune-up level II incentive only once for the HVAC equipment life.

#### RESPONSIBILITY OF PARTIES

A dwelling is eligible to receive an incentive for each central air conditioner or heat pump installed based on the efficiency level, not to exceed 2 units per dwelling. The work performed for all measures must be completed by a Progress Energy prequalified contractor who has met the program training requirements and guidelines as set forth by the Program.

### CONTRACT TERM

Customer shall submit the required incentive application form, including required documentation such as equipment cut sheets and the original contractor invoice as provided by the contractor based upon program requirements, within ninety (90) days of completion of the work. Incentive application forms received after ninety (90) days will not be subject to an incentive payment.

All energy conservation measures shall be subject to inspection by Company for the purposes program evaluation, measurement, and verification.

### OTHER CONDITIONS

The following equipment specifications shall be met in order to be eligible to receive an incentive:

High Efficiency Heat Pump Replacements - the unit(s) replaced shall be a minimum SEER (Seasonal Energy Efficiency Ratio) of 15 and existing equipment shall not be greater than SEER of 13.

High Efficiency Central AC Replacements - the unit(s) replaced shall be a minimum SEER of 15 and existing equipment shall not be greater than SEER of 13.

Geothermal Heat Pumps - shall be a minimum EER (Energy Efficiency Ratio) of 19 and existing equipment shall not be greater than EER of 17.

Attic Insulation - shall bring the insulation up to a minimum of R30 and existing insulation shall not be higher than R19.

Energy Efficient Windows – existing windows shall be replaced with low E glass with a minimum U-value of 0.4 and Solar coefficient heat gain factor of 0.4.

### GENERAL

Service rendered under this Program is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission.

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## EXPERIMENTAL

### RESIDENTIAL SERVICE HOME ADVANTAGE PROGRAM RHAP-2

#### PURPOSE

The purpose of this program is to offer incentives to construct residential dwellings meeting Energy Star qualification with a high efficiency air conditioner or heat pump with a minimum 14 Seasonal Energy Efficiency Rating (SEER).

#### AVAILABILITY

The program is available to a builder of new residential housing, or a manufacturer and sales lot owner of new manufactured housing which will be served under any of Company's residential schedules. The dwelling must achieve an Energy Star Certification which must include a high efficiency air conditioner or heat pump with a minimum 14 SEER.

#### INCENTIVE PAYMENTS

##### Single-Family & Multi-Family Dwellings

Builder shall complete and submit an application, including supporting documentation and a copy of the Energy Star certificate. Upon Company's approval of the application for the installation of qualifying construction or other measures, builder shall receive an incentive payment as follows:

<u>Energy Conservation Measure</u>	<u>Incentive Payment</u>	<u>Eligibility Requirement<sup>1</sup></u>
1. Building Construction	\$400	Energy Star Certification
2. HVAC Upgrade: <sup>2</sup>		Requires minimum efficiency rating:
Air-to-Air Heat Pump	\$300	Minimum 15 SEER
Central Air Conditioning	\$300	Minimum 15 SEER
Geothermal Heat Pump	\$600	Minimum 17 EER
3. Cooperative Advertising	\$50/dwelling, not to exceed 50% of cost	Public promotions for Energy Star construction

<sup>1</sup> High-rise multi-family units (greater than three stories) not currently eligible for Energy Star may receive these incentives provided all dwelling units meet the Energy Star builder option package for the climate zone and install air conditioners or heat pumps with a minimum 14 SEER.

<sup>2</sup> Maximum of two HVAC units per dwelling will be eligible for the incentive.

##### Manufactured Housing

The manufactured housing sales lot owner shall complete and submit an application, including supporting documentation and a copy of the Energy Star certificate. Upon Company's approval of the application for the installation of qualifying construction or other measures, the manufacturer and sales lot owner shall receive an incentive payment as follows:

<u>Energy Conservation Measure</u>	<u>Incentive Payment</u>	<u>Eligibility Requirement</u>
1. Building Construction	\$300	Energy Star Certification
2. Sales Lot Incentive	\$100	Energy Star Certification
3. HVAC Upgrade: <sup>1</sup>		Requires minimum efficiency rating:
Air-to-Air Heat Pump	\$300	Minimum 15 SEER
Central Air Conditioning	\$300	Minimum 15 SEER
Geothermal Heat Pump	\$600	Minimum 17 EER
4. Cooperative Advertising	\$50/dwelling, not to exceed 50% of cost	Public promotions for Energy Star construction

<sup>1</sup> Maximum of two HVAC units per dwelling will be eligible for the incentive.

#### RESPONSIBILITY OF PARTIES

The Energy Star Certification must be verified by a qualified Home Energy Rating System (HERS) rater recognized by the Energy Star Program administered by US Department of Energy & US Environmental Protection Agency.

#### CONTRACT TERM

The builder, manufacturer, or sales lot owner, or their designated representative, shall complete and submit an application, supporting documentation, and the Energy Star Certificate within 6 months of completion of the dwelling (meter set date). Incentive application forms received after 6 months will not be subject to an incentive payment.

All dwellings receiving incentives shall be subject to inspection by Company for the purpose of program evaluation, measurement, and verification.

#### GENERAL

Service rendered under this Program is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission.

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## EXPERIMENTAL

### RESIDENTIAL SERVICE NEIGHBORHOOD ENERGY SAVER PROGRAM RS-NES-2

#### PURPOSE

The purpose of this program is to provide information and energy conservation measures to low-income residential customers to encourage and reduce energy consumption and costs.

#### PROGRAM DESCRIPTION

The program utilizes a Company-selected vendor: (1) to provide one-on-one energy education, (2) to provide an on-site energy assessment of the residence to identify appropriate energy conservation measures and (3) to install a comprehensive package of energy conservation measures at no cost to Customer.

#### AVAILABILITY

The program is available only to individually-metered residential low-income homeowners and tenants in eligible neighborhoods served and selected by Company, in its sole discretion. Eligible low-income neighborhoods shall have at least 50% of households with incomes equal to or less than 150% of the poverty level set by the U.S. Department of Energy. Participants in eligible low-income neighborhoods are limited to the one-time receipt of energy efficiency measures under this program.

#### SERVICES PROVIDED

In addition to energy education materials, the program offers the following energy efficiency measures:

- (a) Compact Fluorescent Bulbs - Up to ten (10) compact fluorescent bulbs will be provided to replace incandescent bulbs.
- (b) Water Heater Wrap and Insulation for Water Pipes - An external insulation wrap to the water heater and adjacent hot and cold water pipes will be provided and installed.
- (c) Water Heater Temperature Check and Adjustment - The temperature of the water being produced by the water heater will be checked and adjusted to the recommended range offering, upon request.
- (d) Low-Flow Faucet Aerators - Up to three (3) low-flow faucet aerators per household will be installed.
- (e) Low-Flow Showerheads - Up to two (2) low-flow showerheads per household will be installed.
- (f) Refrigerator Coil Brush - A coil brush, demonstration of its use, and information on suggested frequency of use and anticipated energy savings will be provided.
- (g) Refrigerator Thermometers - One (1) thermometer in the food compartment and one (1) thermometer in the freezer of the refrigerator will be installed. Information on optimal refrigerator settings will also be provided.
- (h) Wall Plate Thermometer - One (1) wall plate thermometer will be installed in each home.
- (i) HVAC Winterization Kit - A winterization HVAC kit for wall/window AC units will be installed, if seasonably applicable. Each household may receive or have installed up to three (3) kits. Customer will be provided education on the proper use, installation, and value of the winterization kit as a method of stopping air infiltration.

- (j) HVAC Filters - The proper method for installing a replacement filter will be demonstrated and a one-year supply of HVAC filters will be provided.
- (k) Change Filter Calendar - Each participant will be provided a Company magnetic calendar. The calendar provides monthly reminders to the resident to clean or change their HVAC filter.
- (l) Air Infiltration Reduction Measures - Weather stripping, door sweeps, caulk, foam sealant, and clear patch tape will be installed to reduce or stop air infiltration around doors, windows, attic hatches, and plumbing penetrations.
- (m) Energy Savers Calendar - An Energy Savers wall calendar will be provided to each participant. The calendar will provide energy saving tips for each month of the year.

GENERAL

Service rendered under this Program is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission.

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## EXPERIMENTAL

### RESIDENTIAL SERVICE SOLAR WATER HEATING PILOT PROGRAM SWHPP-2

#### PURPOSE

The purpose of this pilot program is to determine and validate achievable energy savings with residential solar water heating technology. This program is available to no more than 150 residential participants on PEC's system installing a new solar water heating system.

#### AVAILABILITY

This pilot program is available on a first-come basis, as referenced by US Postal Date Stamp on Customer's application, to the first 150 customers applying that meet the following conditions of service:

- A. Customer must be receiving service from Company pursuant to a residential service schedule.
- B. Eligible solar water heating units must be installed by a Company-approved and authorized specialty installer in an owner-occupied, single-family home, which is Customers' primary residence. A list of specialty installers is available from Company.
- C. During the duration of the pilot, Customer must have an operable electric hot water heater in service in the participating residence to supplement the solar system.
- D. Customer shall allow Company, at Company's expense, to install monitoring equipment and retrieve operating data related to the solar water heating equipment.
- E. Company, in its sole discretion, may deny participation to any Customer to achieve a geographic and demographic diverse population of participants.
- F. If the residence is a new construction home, the home must be permanently occupied prior to Customer's application for this program.
- G. Residential dwellings of Company employees are not eligible to participate in this pilot program.

#### INCENTIVE PAYMENT

Participants meeting the above conditions of service and being accepted into the pilot program will receive a one-time incentive payment of \$1,000 upon Company's receipt of written confirmation that the Solar Water Heating system has been inspected and approved by the local Authority with copies of all inspection certificates or permits involved. Customers refusing to allow monitoring equipment to be installed on their solar thermal systems will not receive Company incentive dollars.

### RESPONSIBILITY OF PARTIES

Customer agrees to complete surveys requested by Company prior, during and after the pilot. Customer acknowledges that monitoring equipment may be attached to their solar water heating system to measure the thermal energy being produced and electricity consumption. Additionally, Company or its agents shall have the right of ingress and egress to Customer's premises at all reasonable hours for the purpose of inspecting, repairing and/or removing the monitoring equipment and verifying the overall working condition of the solar thermal system. If any intentional tampering with Company-owned or leased equipment occurs, Company may seek recourse in accordance with the Rules and Regulations of the Public Service Commission of South Carolina and the laws of the State of South Carolina.

### CONTRACT TERM

The Contract Period for participation in the pilot program shall not be less than eighteen (18) months. Upon completion of the pilot program and data retrieval requirements, installed monitoring equipment at the residence shall be removed or remotely disabled and the Company's and Customer's obligations under the program shall cease.

### GENERAL

Service rendered under this Program is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission.

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## EXPERIMENTAL

### RESIDENTIAL SERVICE - LOAD CONTROL RIDER LC-SUM-2

#### AVAILABILITY

This Rider is available in conjunction with all residential service schedules provided Customer contracts for Company or its representative to install and operate the necessary control equipment in a location provided by Customer and suitable to Company in or about the residential dwelling unit, to interrupt service to each installed, approved electric central air conditioning unit and/or electric heat pump and to monitor their operation under the provisions of this Rider. Company shall be allowed to monitor Customer's load or any part thereof and the operation of controlled appliances, at no charge, to Customer under the provisions of this Rider. The residence must be owned and occupied by Customer. This Rider is only available where Company has the necessary communications equipment installed and where such signal can be satisfactorily received at Company's specified location on Customer's residence.

#### MONTHLY RATE

Customer shall receive an Initial One-Time Bill Credit of \$25 in the next bill following successful installation and testing of the load control device(s). On the next bill following each twelve months of continuous participation on the program Customer shall receive an additional Annual Bill Credit of \$25. Customer leaving the program may return anytime to the program but shall not receive the Initial One-Time Bill Credit but must complete a twelve month continuous participation on the program to receive the additional Annual Bill Credit of \$25

#### APPROVED CENTRAL AIR CONDITIONING UNIT

An approved electric central air conditioning and/or electric heat pump unit is a central electric air conditioning unit used to cool the residence through a ducted system. All central air conditioning units installed at the residence must participate in load control in order to receive the Annual Credit.

#### INTERRUPTION

Company shall be allowed, at its discretion, to interrupt service to each air conditioner for up to four hours during each day of the summer control season months of May through September. Company reserves the right for longer interruption in the event continuity of service is threatened. Air conditioner interruptions shall be limited to a total of 60 hours during any one summer season. The Company reserves the right to test the load control equipment at any time, and such test periods shall be counted towards the maximum hourly interruption limit. Customer shall have the option to override an air conditioner based control event, however, if Customer exceeds two (2) control event overrides per controlled device(s) in a single control season of May through September, Customer may be subject to removal from the program and shall forfeit the next subsequent Annual Bill Credit for that controlled device. A control event override is defined as Customer requesting exemption from part or whole of the interruption time period.

EQUIPMENT INSPECTION AND SERVICING

Company or its agents shall have the right of ingress and egress to Customer's premises at all reasonable hours for the purpose of inspecting Company's wiring and apparatus; changing, exchanging, or repairing its property, as necessary; or removing its property after termination of service. Company and Customer shall schedule a convenient time for such purposes whenever it is necessary to service Company's equipment installed inside the residence. If any tampering with Company-owned equipment occurs, Company may adjust the billing and take other action in accordance with the Rules and Regulations of the Public Service Commission of South Carolina and the laws of the State of South Carolina as applicable to meter tampering.

SALES AND FRANCHISE TAX OR PAYMENT IN LIEU THEREOF

To the above charges will be added any applicable South Carolina sales tax, and for those customers within any municipal or other local governmental jurisdiction, an appropriate amount to reflect any franchise fee, business license tax, or similar percentage fee or tax, or charge in lieu thereof imposed by such entity.

CONTRACT PERIOD

The Contract Period shall not be less than one year. Customer or Company may terminate participation under the Rider by providing 30 days prior notice to the other party. Upon termination, installed equipment at the residence will be remotely disabled to prevent further load control, but will only be removed upon request by Customer.

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## EXPERIMENTAL

### DEMAND RESPONSE AUTOMATION RIDER DRA-2

#### AVAILABILITY

This Rider is available to non-residential customers who receive electric service with a Contract Demand of 200 kW or greater under either the Medium General Service, Small General Service (Time-Of-Use), Large General Service, or Large General Service (Time-Of-Use) schedule provided Customer contracts under the provisions of this Rider for a Contracted Curtailable Demand of 75 kW or greater during summer peak periods. Customer may use other sources of power to curtail electrical load.

Customer shall have the option to install equipment at Customer's cost to allow Company to remotely control Customer's equipment during Curtailment Events. Eligible equipment shall be identified by Company during a Site Survey with the control scheme to be agreed upon by Customer and Company. Customer shall be responsible for any cost required to support the automated control equipment and for ensuring that the Rider's minimum demand response requirements are met.

Company shall provide service using a meter capable of recording electrical consumption information on a 15-minute interval basis. If the meter is not standard based upon Customer's Contract Demand, such meter shall be provided in accordance with the "Non-Standard Metering" provisions contained in METER-RELATED OPTIONAL PROGRAMS RIDER MROP. Rates stated in Rider MROP apply and are not modified by this Rider.

This Rider is not available for (1) short-term or temporary service, (2) Customer electing to Opt-Out of the DSM/EE Programs, (3) Customer electing not to request required non-standard metering equipment through Rider MROP, (4) Customer participating in Curtailable Load Rider CL, Curtailable Load Rider No. 58, Dispatched Power Rider No. 68, or Incremental Power Service Rider IPS, or (5) demand served by Premier Power Service Rider PPS generation.

The Schedule used in conjunction with the Rider is modified only as indicated within the Rider.

#### DEFINITIONS

##### 1. CONTRACTED CURTAILABLE DEMAND

The Contracted Curtailable Demand, established for both summer and winter peak periods, shall be the amount of demand Customer agrees to curtail during a Curtailment Event based upon a Site Survey of Customer's facilities and analysis of historical load profiles, if available. The summer Contracted Curtailable Demand shall be used to determine Monthly Availability Credits. The winter Contracted Curtailable Demand shall not be subject to a minimum of 75 kW.

##### 2. CURTAILMENT EVENT

The Curtailment Event shall be a period of no more than 8 hours. Company shall send notification to Customer a minimum of 30 minutes before the requested Curtailment Event is to take place. Company shall use reasonable diligence to notify Customer of an impending Curtailment Event and having used reasonable diligence shall not be liable to Customer should Customer not receive notification or an automated demand control signal. The total number of Curtailment Events shall be a minimum of 3, but no more than 10, during a calendar year. Company reserves the right for a longer curtailment duration or higher number of annual Curtailment Events if continuity of service is threatened.

3. EVENT DEMAND REDUCTION

The Event Demand Reduction shall be the Event Baseline Demand less the Curtailment Event Demand, but not greater than 150% of Contracted Curtailable Demand and not less than zero. This value will determine the kW demand reduction for which Customer will receive an Event Performance Credit. In months where multiple Curtailment Events occur, the Event Performance Credit shall be based on the sum of Event Demand Reductions for each Curtailment Event.

4. CURTAILMENT EVENT DEMAND

The Curtailment Event Demand shall be the average 15-minute kW demand registered or computed by or from Company's metering facilities during a single Curtailment Event.

5. EVENT BASELINE DEMAND

The Event Baseline Demand shall be the average 15-minute kW demand during the Curtailment Event hours for the immediate 3 prior days (excluding weekends, days with Curtailment Event, and Holidays), which shall be determined by dividing the sum of kWh during the corresponding Curtailment Event hours by the total number of hours. Holidays are defined as New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day. For purposes of calculating Event Baseline Demand, when one of the holidays falls on a Saturday, the Friday before the holiday will be excluded, and when the holiday falls on a Sunday, the following Monday will be excluded.

6. NON-COMPLIANCE EVENT

A Non-Compliance Event occurs when Customer's Event Demand Reduction falls below 90% of the seasonal Contracted Curtailable Demand. Multiple Non-Compliance Events can occur within a single month.

MONTHLY RATE

The Monthly Rate shall be an amount computed under the applicable Schedule for the Billing Demand and the kilowatt-hours used during the current month, plus a Monthly Rate for non-standard meter installation under Rider MROP, if applicable, less a Monthly Availability Credit and less an Event Performance Credit where:

1) Monthly Availability Credit =  $\$2.50/\text{kW} \times \text{Summer Contracted Curtailable Demand}$

2) Event Performance Credit =  $\$5.00/\text{kW} \times \text{Sum of Event Demand Reductions in Current Month}$

Event Performance Credit shall be zero (\$0) in all months with no Curtailment Events. Each Non-Compliance Event will result in the loss of four (4) months of future Monthly Availability Credits. The total months of lost Monthly Availability Credits will be allowed to accrue with no limit. Customer whose service under the Rider is terminated may reinitiate service under the Rider at anytime, but will not be eligible to receive a Monthly Availability Credit for twelve (12) months or for the remainder of the accrued months of lost Monthly Availability Credits at the time Customer terminated service, whichever is greater. The number of Non-Compliance Events accumulated by Customer shall not be affected by renewal of Contract Period.

#### COMMUNICATIONS REQUIREMENTS

Customer must provide satisfactory space and electrical power supply for Company's two-way communication equipment. In the event that a continuous cellular connection cannot be maintained at the location of Company's equipment, Customer must provide, at Customer's expense, a dedicated telephone line or other adequate media, as approved by Company, to establish uninterrupted communication with Company's equipment. Customer must also provide, at Customer's expense, a telephone line or other adequate media, as approved by Company, in order to receive the 30-minute advance notification from Company.

#### PARTICIPATION INCENTIVE

During the first year of the initial 5-year Contract Period, Customer will receive a one-time Participant Incentive, in the amount of \$50.00/kW, to support Customer investment related to participation in the program, including purchase and installation of automation controls and DR-enabling equipment. This incentive will be based on an average of Customer's Curtailment Event Demand for the first two Curtailment Events following execution of a Contract. Any Customer having service under the Rider terminated during the initial 5-year Contract Period shall be charged by Company an amount equal to the Participation Incentive received by Customer under the Rider. Each premise shall be eligible for only one Participation Incentive credit over this Rider.

#### CONTRACT PERIOD

The Contract Period shall be five (5) years, with automatic extensions of two (2) years thereafter, unless: (1) terminated by either party at the end of the Contract Period by giving not less than sixty (60) days written prior notice or (2) terminated by Company for Customer having three (3) consecutive Non-Compliance Events.

#### ADJUSTMENTS TO CONTRACTED CURTAILABLE DEMAND

Customer may reduce the Contracted Curtailable Demand without charge at the end of any Contract Period. The Contracted Curtailable Demand may also be adjusted, upon Company approval, during a 4-week period immediately following any Curtailment Event, provided it is not adjusted more than 2 times in a calendar year.

#### SALES AND FRANCHISE TAX OR PAYMENT IN LIEU THEREOF

To the above charges will be added any applicable South Carolina sales tax, and for those customers within any municipal or other local governmental jurisdiction, an appropriate amount to reflect any franchise fee, business license tax, or similar percentage fee or tax, or charge in lieu thereof imposed by such entity.

#### GENERAL

Service rendered under this Rider is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission. The provisions of this Rider are subject to change upon approval by the Public Service Commission of South Carolina.

Effective for service rendered on and after \_\_\_\_\_  
SCPSC Docket No. 2009-\_\_\_\_-E, Order No. 2009-\_\_\_\_